

State of New Mexico - Taxation and Revenue Department  
**FILM PRODUCTION TAX CREDIT CLAIM FORM**

**ABOUT THIS CREDIT:**

The film production tax credit, Section 7-9F-1 NMSA 1978, provides a credit for an eligible film production company. The amount of the credit is equal to 25% of direct production and direct postproduction expenditures made in New Mexico, subject to certain limitations. A 20% credit rate applies for expenditures for which the taxpayer receives a new markets tax credit from the federal government. **IMPORTANT:** *Direct production expenditures must be directly attributable to film production in New Mexico and both direct production and post production expenditures must be subject to taxation by the State of New Mexico.* The film production tax credit may **not** be claimed for expenditures for which the film production company has delivered a nontaxable transaction certificate pursuant to Section 7-9-86 NMSA 1978. For details of the limits on expenditures, see the instructions for Form RPD-41229, *Application for Film Production Tax Credit*.

To be eligible for the film production tax credit, a film production company must first be approved by the Film Division of the New Mexico Economic Development Department. To apply for eligibility contact the Film Division at (505) 476-5600 or (800) 545-9871. Once approved by the Film Division, the company may apply for the credit by submitting a completed Form RPD-41229, *Application for Film Production Tax Credit*, to the Taxation and Revenue Department for verification of expenses and additional approval. The Department may approve the film production tax credit and issue a document granting all or part of the tax credit. An eligible film production company that is required to file a New Mexico Pass-Through Entity (PTE) return, may apply for a film production tax credit, but may not claim the credit on the PTE return. The PTE must pass an approved film production tax credit to its owners, members or partners, using Form RPD-41366, *Notice of Distribution of Film Production Tax Credit*.

**HOW TO USE THIS FORM:**

Once the approved film production company has received approval from the Film Division and the Taxation and Revenue Department, a completed Form RPD-41228, including Department approvals, must be attached to a New Mexico Form PIT-1, CIT-1, S-Corp, or FID-1 return. Subject to certain limitations, the amount of the tax credit may be applied to the tax due on the return, and if the amount of the film production tax credit exceeds the film production company's income tax liability for the tax year, the excess may be refunded. See the instructions to this form for more details about the limitations and how to complete the income tax return.

**INSTRUCTIONS FOR COMPLETING THE FILM PRODUCTION TAX CREDIT CLAIM FORM:**

Enter the name and taxpayer identification number of the approved film production company and the Taxation and Revenue Department approval number from the approved Form RPD-41229, *Application for Film Production Tax Credit*. Enter the report period of the New Mexico income tax return for which you wish to claim the credit. Enter the total film production tax credit approved, the amount to be applied to tax due on the attached return and the amount of film production tax credit to be refunded. Sign and date the return.

Attach this claim form to your income tax return and mail to: Taxation and Revenue Department, Attn: Film Production Tax Credit, P.O. Box 5418, Santa Fe, New Mexico, 87502-5418. For assistance, call (505) 827-0827.

Name of Approved Film Production Company	Taxpayer Identification Number (SSN or FEIN)
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**REPORT PERIOD**

<input type="text"/>	<input type="text"/>	<input type="text"/>	through	<input type="text"/>	<input type="text"/>	<input type="text"/>
Month	Day	Year		Month	Day	Year

\*Enter same report period as entered on your attached tax form.

Approval Number

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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**Total Film Production Tax Credit Approved**

\$ 

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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**Film Production Tax Credit - applied to tax due**

\$ 

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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**Refundable Portion of the Film Production Tax Credit**

\$ 

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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I declare that I have examined this return including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Signature of Taxpayer or Agent \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

**State of New Mexico - Taxation and Revenue Department**  
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**Instructions**

**Limitations on Claiming the Credit:**

The total aggregate film production tax credits that may be paid out in any fiscal year are limited to \$50 million. A film production credit that is unable to receive the tax credit because claims exceed this limitation shall be placed at the front of the queue for the next fiscal year.

Credit claims authorized for payment may be distributed over multiple years as follows:

- If the credit amount is less than \$2 million per taxable year, the amount shall be paid as requested on the income tax form immediately;
- If the credit amount is \$2 million or more but less than \$5 million per taxable year, half of the amount of the film production tax credit shall be paid immediately and the remainder shall be paid 12 months following the date of the first payment, and
- If the credit amount is \$5 million or more per taxable year, one third of the amount of the film production tax credit shall be paid immediately, one third of the film production tax credit shall be paid 12 months following the date of the first payment, and one third of the film production tax credit shall be paid 24 months following the date of the first payment.

Any amount of a credit claim that is carried forward as described above, is also subject to the total aggregate fiscal year limitation described above. For purposes of determining the payment of credit claims as described above, the secretary of the Taxation and Revenue Department may require that credit claims of affiliated persons be combined into one claim to accurately reflect closely integrated activities of affiliated persons.

To obtain authorization for payment of the film production tax credit, the claim must be made on a completed income tax return filed timely after the close of the taxable year. All expenses incurred during the taxable year shall be submitted as part of the same income tax return. A credit claim shall not be divided and submitted with multiple returns or in multiple years.

Note: No interest shall be paid on any amount refunded under the Film Production Tax Credit Act.

**Completing the Return:**

Complete the income tax return, CIT-1, PIT-1, S-Corp or FID-1 based on the federal return that you are required to file.

If you are required to file:

File New Mexico Form:

Federal Form 1040,  
Federal Form 1120,  
Federal Form 1120S,  
Federal Form 1041,

file Form PIT-1;  
file Form CIT-1;  
file Form S-Corp; or  
file Form FID-1

Except for Form PIT-1, you will also need to complete the tax credit schedule, CIT-CR, S-Corp-CR or FID-CR. On the tax credit schedule, enter the total film production tax credit approved and the amount of the credit that you want applied to the tax liability due on the return. Enter the refundable portion of the tax credit claimed on the first page of the return. The Department will compare the amount entered and determine how and when the credit will be paid. No interest shall be paid on any amount refunded under the Film Production Tax Credit Act. If the amount you request to be applied to the tax liability due on the return is not eligible to be paid immediately, you will be billed for the tax liability not paid, and you may be subject to interest on the unpaid amount.

Note: An eligible film production company that is required to file Federal Form 1065, may be approved for a film production tax credit, but may not claim the credit on the New Mexico PTE return. The PTE must pass approved film production tax credit to its owners, members or partners, using Form RPD-41366, *Notice of Distribution of Film Production Tax Credit*.

For all tax programs, you must attach this Form RPD-41228, Film Production Tax Credit Claim Form to your return. Failure to attach this form may result in denial of your claim for the credit.

The completed income tax return and Form RPD-41228 must be mailed to: New Mexico Taxation and Revenue, Attn: Film Production Tax Credit, P.O. Box 5418, Santa Fe, New Mexico, 87502-5418. Do not mail the return to the address on the income tax return. Mailing to this address ensures that your claim is recorded timely.